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November 7, 2002

Mr. Ken Butcher Office of Weights and Measures National Institute of Standards and Technology 100 Bureau Drive, Stop 2000 Gaithersburg, MD 20899-2350

Dear Mr. Butcher:

## Re: Metric-Only Option for U.S. Food Manufacturers

On behalf of the Food Marketing Institute (FMI)<sup>1</sup>, I am pleased to provide the following comments on a metric-only option for U.S. food manufacturers of consumer goods. As you know, any change to the Fair Packaging and Labeling Act must be made by an act of Congress.

FMI does not support the use of metric-only. Metric-only would not be of any value to the U.S. retailer community or to most consumers in America. Below is an outline of numerous points of concern that FMI has regarding the metric-only option:

<sup>&</sup>lt;sup>1</sup> Food Marketing Institute (FMI) conducts programs in research, education, industry relations and public affairs on behalf of its 2,300 member companies — food retailers and wholesalers — in the United States and around the world. FMI's U.S. members operate approximately 26,000 retail food stores with a combined annual sales volume of \$340 billion — three-quarters of all food retail store sales in the United States. FMI's retail membership is composed of large multi-store chains, regional firms and independent supermarkets. Its international membership includes 200 companies from 60 countries.

- The majority of consumers do not understand metric measurements. Moreover, consumers are not demanding that their food products be packaged and labeled using the metric system.
- θ Value-comparison between similar products of various sizes may be difficult to determine for consumers if some manufacturers use the metric-only option and others use inch/pound.
- θ Retailers will be faced with consumer complaints when value-comparison cannot be determined.
- θ International interpretations of metric requirements would likely result in package size changes.
- θ Changes in package sizes will make certain display cases, such as the dairy case and push-in display racks obsolete.
- Metric will also impact other types of equipment in the grocery store, including bakery pans, scales, scanners, computers, and other types of measurement equipment, requiring costly conversion or replacement.
- θ Shipping cases will even have to be replaced if metric-only is an option.
- θ A metric-only option may conflict with domestic feeding programs.
- Packagers may change display-only in metric units and that will require changes in unit pricing labels.
  - θ There is a cost for the retailer associated with label changes, including design cost and plate changes (plates can cost in the neighborhood of \$1,000).
  - θ Retailers typically keep a label inventory of about 50 weeks.
  - Retailer's operating companies forecast what business might be like in the future (ex: tomatoes) and make future labels accordingly (thus, more label inventory).
  - Θ In addition to unit pricing, a metric-only option will also impact UPC codes and price advertising as well as nutrition information and recipe programs.

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As outlined above, converting to metric is more than simply changing labels to make metric the primary method for declaring net contents on a package. Compliance costs necessary to convert to metric are significant, exceeding \$1 billion for the food industry. These costs will be passed on to consumers, including food stamp, WIC recipients and the elderly, who will see their purchasing power dramatically reduced when buying groceries, with no added value.

As you know, the federal government attempted to convert to metric in the mid-1970's, and the metric experiment was a dismal failure. There is no competitive advantage to be gained by mandating or allowing for a metric-only option for consumer products that are bought, used or consumed in the United States, especially food products. If a manufacturer needs to label a product metrically to be globally competitive, the company will do so.

Thank you again for your consideration of our views.

Sincerely,

John J. Motley III Senior Vice President

Government and Public Affairs